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ECE REGIONAL ADVISORY SERVICES PROGRAMME (RASP)

REVIEW OF OBJECTIVES AND ACTIVITIES IN 1994-1995 AND PROPOSALS FOR FURTHER IMPROVEMENT

Report by the Executive Secretary

1. This report has been prepared pursuant to paragraph 5 of decision C (50).

2. The ECE Regional Advisory Services Programme (RASP), established in mid-1994 as part of the process of decentralization of UN technical assistance activities to the regional commissions, has added a new dimension of services to member States and contributed to a diversification of assistance to countries in transition. The activities of the Programme have been demand-driven, but as demand by far outstrips its available resources, the RASP has had to select those most in line with the work programme of ECE and to work in close interaction with the substantive divisions of the secretariat.

3. In addition to raising awareness of the ECE potential in assistance and identifying needs, the Regional Advisers have provided advice on policy and institutional issues and elaborated project ideas of common interest to several countries. Financial difficulties within the United Nations resulted in the cancellation or postponement of advisory missions and training workshops in the last quarter of 1995, which will have to be made up in 1996.

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I. MANDATE AND FUNCTIONS OF THE REGIONAL ADVISERS

4. The RASP is intended to foster the economic development of the countries of the region in areas which they themselves identify as of the greatest need, covering the policy and operative issues of transition to a market economy, environment, transport, statistics, trade facilitation, energy, development of international trade, industry and technology, timber and population activities. The principal function of the Regional Advisers, as defined in document E/ECE/1287 is "to provide member Governments with advice of a broad nature in order to promote their capacity and institution-building to facilitate their transition to a market economy and their integration with the European and global economy".

5. In the installation phase of the RASP, the regional advisers have been asked as a priority to identify specific needs of receiving States; identify actions to meet the needs; and to provide information on ECE capabilities.

II. IDENTIFIED NEEDS OF ECE MEMBER COUNTRIES IN TRANSITION IN ADVISORY ASSISTANCE

6. Requests for advisory assistance from ECE member countries in transition cover a broad range of activities and indicate that their priorities in economic development lie in the areas of strategic policy formulation and implementation on the issues of privatisation, industrial restructuring and energy, development of entrepreneurship, market economy institution building, including development of SMEs, and attraction of foreign direct investment. Advisory assistance has been requested in the formulation of national and sectoral policies and programmes of economic development; capacity building, including assistance in the implementation of conventions and norms negotiated within ECE; project formulation; financial engineering; institutional networking; and entrepreneurship development.

7. In view of the limited resources of the RASP, priority has been given to requests emanating from the economies in a difficult socio-economic situation and to follow-up to policy guidelines, conventions or standards developed within ECE.

8. The capacity of the RASP to respond to requests for advisory assistance has been strengthened by interaction with the PSBs, particularly instrumental in providing up-to-date information on ECE activities.

9. Coordination of work with donors and financial institutions has been established, for example UNDP has been invited to take part in the execution or co-execution of projects, including those paid for from IPF resources. Bearing in mind the ACC recommendation that the regional commissions should keep each other informed of requests from countries with dual membership in order to facilitate interregional cooperation, collaboration with ESCAP will improve opportunities for international funding development projects in the States that are members of both commissions.

III. ACTIVITIES UNDERTAKEN

(a) Geographical distribution of missions to countries

10. From July 1994 to September 1995, before the "freeze" on advisory missions was introduced due to the financial difficulties of the United Nations, a total of 144 advisory missions were carried out. In view of the demand structure and ECE policy to pay particular attention to the needs of the Newly Independent States, 50 missions were to member countries of the Commonwealth of Independent States, 48 to the economies in transition in central and eastern Europe, 8 to the Baltic States and 38 to donor countries. Developed market economies were visited mainly for fund-raising purposes and to attend international conferences and meetings. Because of the freeze about 75 advisory missions planned for September 1995-January 1996 had to be postponed to 1996.

(b) Country focused assistance

11. In 1995 the RASP provided multisectoral advisory assistance to Georgia, culminating in the elaboration of a Medium-term strategy of economic reconstruction, recovery and reform. The strategy document provides an independent assessment of the status of the Georgian economy and sets forth recommendations for policy actions needed to overcome the current economic crisis in the country and to continue with reforms. It has been used by the Georgian Government to stimulate internal economic debate and for strategic policy making. It has also been used by national negotiators, dealing with international financing institutions.

12. There are indications that other countries in transition would like to have this type of focused assistance extended to them on a priority basis (Tajikistan, Ukraine, Kyrgyzstan). Tajikistan has made an official request.

(c) Advisory workshops and seminars

13. In order to expedite the process of building awareness in the Newly Independent member States of the role and functions of ECE, the pertinence of its substantive sectoral work for the success of transition to a market economy and integration into the European and global economy, several advisory Workshops have been specifically oriented to this group.

14. A ministerial level Workshop for the Newly Independent States on the role and functions of ECE (Geneva, December 1994) was well attended and produced in-depth discussions. An improved understanding of the potential of ECE related cooperation was achieved and a basis was established for regular communication between the ECE divisions and Regional Advisers, on the one side, and respective national ministries and agencies, on the other.

15. A Workshop in March 1995 was devoted to promotion of trade of these countries. The discussion, based on the ECE paper "Ways and means of promoting the expansion of trade in transition economies" (E/ECE/1311 and Add. 1 and 2), laid the ground for improved cooperation. In June 1995 an Advisory Workshop on Industrial Restructuring focused on strategic planning for

industrial restructuring in the economies in transition. A Workshop in September 1995 addressed the needs of the Newly Independent States, underscored the importance of harmonisation of road and rail transport infrastructure networks and of transport regulations, including transit traffic facilitation and safety, as critical and essential factors for the improvement of cooperation and international trade among all ECE member States.

16. The Regional Advisers contributed also to the joint UNDP/UNCTAD/ECE/ITC regional Workshop of CIS and Baltic States at ministerial level on regional trade and enterprise cooperation and major challenges of increased participation in international trade (Chisinau, Republic of Moldova, January 1995).

17. The RASP prepared the basic document for discussion and substantive sectoral contributions for the International Round Table on "The search for an optimal medium-term strategy of economic reconstruction, recovery and reform for Georgia". The meeting, to be held in Tbilisi, Georgia, in September 1995), had to be postponed to April 1996 because of the UN financial difficulties.

18. An ad hoc Meeting was organised on business opportunities in Energy Efficiency Demonstration Zones (Minsk, Belarus, October 1995), with participation of 150 businessmen from 15 ECE member countries.

(c) Relations with partner organizations

19. The RASP has contributed to subregional cooperation through participation of Regional Advisers in the meetings, workshops and seminars of subregional groupings.

20. The Secretariat of the Commonwealth of Independent States (CIS) took part, at the invitation of the ECE secretariat, in the Workshops mentioned above and the Regional Advisers have established professional ties and exchange information with experts from CIS countries.

21. Work has been initiated on a project for the CIS on the present situation and prospects for fuel and energy complex in CIS member countries aimed at identifying their technical assistance requirements in the energy field.

22. A working relationship has been established with the Black See Economic Cooperation (BSEC), including participation in meetings on subjects of mutual interest. Exchange of information has been started. Areas of active cooperation include energy, transport and environment.

23. Cooperation with the Central European Initiative has been pursued, in particular in the areas of industrial development, environment and transport. The Regional Adviser on Industry and Technology contributed to the CEI meeting of Ministers responsible for international economic relations and foreign trade and the session of the Working Group of the CEI on small and medium-sized enterprises.

24. The Regional Advisers have participated in joint planning meetings with UNCTAD and ITC in an effort to develop a coordinated approach to future project proposals to be funded from UN and other sources.

(e) Cooperation with donors

25. In the course of 1994-1995 several donor governments and organisations showed interest in cooperating with the Regional Advisers in the development of specific programmes/projects of assistance to countries in transition. Effective links have been established with bilateral (Germany, France, Netherlands) and multilateral donors, i.e. EU, PHARE and TACIS programmes, EBRD, World Bank, UNDP.

26. Recent consultations between UN Headquarters, ECE and EU have opened ways for more concerted cooperation with PHARE and TACIS. Channels of communication with these institutions have been established on both policy and operative levels. The EU PHARE and TACIS programmes expressed particular interest in sizeable project proposals of a regional or subregional nature. They are considering seven ECE-submitted project outlines and project briefs are being prepared in a number of areas. It would be desirable if EU and ECE came to an agreement on the eligibility criteria and acceptance of ECE-prepared PHARE and TACIS projects. ECE could complement the EU using its expertise, working knowledge of realities in respective countries and established networking connections.

27. In the trade sector, ECE cooperates with EBRD through involvement in the Bank's legal work. EBRD participates in WP.5 meetings. The complementary aspects of ECE's work in trade procedures and documentation - much of which has a direct impact on the efficiency and effectiveness of trade finance - could create opportunities for ECE to assist in the implementation of major EBRD loans.

28. The World Bank has a strong commitment to increasing the information technology content of its technical assistance projects. It is thus interested in UN/EDIFACT and is considering using ECE advisers and WG.5 in its technical assistance. The RASP intends also to pay more attention to the mobilization of resources of NGOs, the business, professional and academic community for the benefit of countries in transition.

(f) Sectoral coverage

(i) Development issues and policies

29. Work done in the countries: Advisory assistance in this area has been provided to Georgia, Russian Federation, Tajikistan, Turkmenistan and Ukraine. Professional contacts were established and specific information provided on comparative experiences of the transition process in the newly independent states, on the potential of international cooperation, in particular at ECE, on the establishment of development priorities and on the design of specific economic development projects involving international assistance.

30. Requests received: The Russian Federation requested assistance in the analysis of economic development problems of its regions. Ukraine was interested in assistance in the assessment of the current state and potential of its economy and in elaborating specific elements of the medium-term strategy of economic development. Turkmenistan requested closer cooperation with ECE, in particular on the issues of comparative analysis of experience of transition.

31. Responses to requests: Discussions on regional development were held with the Regional Administrations and private sector entrepreneurs of the Krasnoyarsk and Orenburg Regions of the Russian Federation. Direct advice was given on involving the United Nations system and international financing institutions and donor countries and organisations into the carrying out of their development programmes. Direct assistance was provided in formulating a regional request (Orenburg), addressed to TACIS. Exploratory talks were held with the Administration of the Omsk Region of the Russian Federation on their proposal to convene in 1996 an international conference on the economic problems of the regions of Siberia. Subject to the concurrence of the Russian Federation, the ECE secretariat plans to assist the Administration of the Omsk Region in the preparation of the conference.

32. A programme of focused ECE advisory assistance to Tajikistan is under preparation. Turkmenistan has been regularly informed on of transition and economic perspectives of the ECE region. Working contacts and project-related work with NGOs in the Russian Federation has been established. The RASP attends to their requests for assistance in specific project formulation.

33. Future work: An assessment mission will up-date the background document prepared for the International Round Table on the issues of optimal development strategy for Georgia (April 1996). ECE proposes to provide multisectoral advisory assistance and contribute to seeking an optimal strategy of economic development of Tajikistan. In 1996-1997 country specific multisectoral programmes of ECE advisory assistance could be established for Ukraine and 2-3 other countries of the CIS. Assistance will be provided to the Government of Georgia in working out the programme of attracting foreign direct investments. The Regional Advisers will continue to facilitate assistance from the country perspective and coordinate advisory activities for the CIS.

(ii) Transport

34. Work done in the countries: In 1994-1995 the two Regional Advisers on Transport divided their tasks on a geographical basis. The Regional Adviser working for the central and east European countries studied the development and financing of the transport infrastructure, evaluation, financing and engineering aspects of projects and provided information on ECE work and the international agreements and conventions prepared under its auspices. As part of the ECE backstopping for operational infrastructural projects (TEM and TER), he helped to prepare and follow-up technical documents, seminars, workshops and round tables in cooperation with the Project Central Offices and ensured coordination between the operational projects and the Inland Transport Committee and its subsidiary bodies.

35. The Regional Adviser dealing with transport issues in the Newly Independent States worked on acquainting them with the work of ECE and other international organisations in the field of transport and on assisting with the prioritization of the ECE legal instruments in transport. He provided advice and assistance in the formulation of programmes of transport development planning and of economic regulatory activities. Activities included workshops, studies and the procedures needed to extend the ECE international road, rail and combined transport networks to the territories of CITs. The Regional Adviser also participated in workshops organised by EU and EBRD in Almaty and Vienna, which addressed specific transport needs in the context of assistance to countries in transition.

36. Requests received: The Regional Advisers were asked to recommend solutions to specific problems, prepare technical or administrative documents, take part in bilateral negotiations between governments and other bodies, study technical documents prepared by national experts and to provide short-term training on issues related to transport. They were also asked for further information on ECE legal instruments in the area of transport and on workshops and studies in the area of transport reform, including institutional development, transport legislation, privatisation of transport enterprises, transport of dangerous goods, railway restructuring, road user charges and road funds.

37. Response to the requests: The Regional Advisers provided a major input in the organization and delivery of the Seminar on the ECE work in the field of transport including legal instruments (Geneva, September 1995) with participants from 10 NIS member states. This seminar stimulated initial exchange of views among the countries concerned on the extension of the 'E' road, rail and combined transport networks set up in the AGC, AGR, and AGTC agreements to the Transcaucasian and Central Asian states. They also contributed to the Round Table discussion on Five years of reform in the transport sector in countries in transition: Assessment and prospects (Geneva, 16 January 1996).

38. Assistance was provided in the formulation of the programmes of work of Inland Transport Committee and its subsidiary bodies for countries in transition and in the identification of priority areas for follow up action in the form of workshops, seminars and studies. Expert assessment of draft transport legislation (Russian Federation)was undertaken and a number of countries were advised on transport pricing, transport funds and railway restructuring.

39. A project on Training on transport of dangerous goods, providing for four consecutive seminars for the benefit of NIS states in 1996-97 is currently under consideration for funding by international organizations.

40. Future work: This would have a three-fold programme: firstly, technical and administrative backstopping of operational projects would continue; secondly, the central European and some east European countries in transition would need assistance in specific technical issues, while the rest would need a large spectrum of information and inputs covering international relations in transport development and financing of infrastructure as well as

its management, specific technical subjects, assistance in bilateral and multilateral negotiations, organisation of training including workshops, seminars, courses.

41. In 1996-1997 four Workshops on Training on transport of dangerous goods and a Workshop on international transit traffic facilitation (Tashkent, June 1996) are planned. The plans provide for the follow-up activities and for continuation of advisory missions, in particular to the Republic of Moldova and Ukraine (earlier cancelled due to the UN financial freeze), to Tajikistan, Turkmenistan and a follow up to Georgia on railway restructuring (invitations outstanding).

(iii) Environment

42. Work done in countries: Advisory services were directed to information on recent ECE environmental transboundary conventions (water, industrial accidents, environmental impact assessment) which form an important basis for regional cooperation. Consultations involved policy decision makers, experts and enforcement officers, not only in the strictly defined environmental sector, including water and natural resource management, but also in related sectors (health, agriculture and forestry, industry, tourism). Environmental and related problems were identified where ECE can mediate assistance for solutions, especially in a transboundary context.

43. Requests received: About 150 requests for assistance, or project ideas, were received, ranging from the need for contacts with specific institutions, requests for documents, books and software, equipment and hardware, training, conferences, legal experts, as well as financing for remedial action and bankable investments. Nearly 20% of all requests were related to conventions.

44. Response to the requests: Assistance was provided in formulating proposals on how to solve environmental problems, and also in identifying and raising needed financial and in-kind resources. To this end, 5 west European countries and several donor and financing organisations were visited. The Regional Adviser assisted in the formulation of regional project briefs on Transboundary water management and protection - submitted to PHARE/TACIS by Lithuania; Regional industrial safety programme, submitted to PHARE by Poland; Regional network and framework for data market infrastructure - support of decision making for sustainable investments in water management (with ITC Slovenia); Mitigation of environmental effects of the military complex and its conversion to peaceful uses (potential sponsor: Hungary). Intermediary activities served also to initialize several bilateral projects.

45. The Regional Adviser has coordinated and/or contributed to the international conferences on cooperation of the countries of central, eastern and south-eastern Europe in the area of protection against natural and other disasters; training workshop on environment health impact assessment; expert meeting on integrated coastal area management in the Mediterranean/Adriatic; preparatory expert meeting on a regional programme on the protection and management of transboundary waters between Belarus, Estonia, Latvia, Lithuania and Russian Federation; conferences on the National Environmental Action plans in Kazakstan and Republic of Moldova. A training course on the application of

the ECE environmental conventions in industry in the countries in transition could not take place because of the budgetary freeze.

46. Future work: Activities in 1996-1997 will focus on: multicountry activities; implementation of guidelines, norms, standards, conventions established within ECE; capacity building; preparation of project formulation; cooperation with subregional bodies and bilateral programmes. First substantive priority will be water management and protection, including related environmental concerns in human settlements and public health. Reducing air pollution as a consequence of energy generation, industry and transport will be another priority. The priority geographic subregions will be: the transboundary water basins of the Baltic states, Belarus, Russian Federation; the Adriatic including sustainable development in its riparian and adjacent states; and the transboundary water basins in the Transcaucasian subregion or another subregion bordering the Black Sea or the Caspian. Special emphasis will be given to the development of a national environmental policy strategy and action programme as a part of a coherent programme of ECE advisory assistance to Ukraine.

(iv) Statistics

47. Work done in the countries: The Regional Adviser, at the invitation of the national central statistical authorities, visited 13 countries in transition to assist them in the proper implementation of the new UN System of National Accounts (SNA1995) and in the improvement of the coverage and quality of basic data used by the central statistical authorities for the estimation of the major macroeconomic aggregates. Small expert teams of statisticians were organised in the visited countries to address the issues of conversion from the old accounting system (MPS) to international standards used in market economies.

48. The Regional Adviser attended several international steering committees responsible for the harmonization of technical assistance in statistics provided by the different organizations and donor countries to CITs. He also contributed to a number of expert group meetings organised for statisticians from countries in transition (Russian Federation, Poland, Hungary, OECD).

49. Requests received: Requests for assistance concerned accounting for the "hidden economy", since without the appropriate statistics the official estimates do not correctly reflect the level, structure and growth of the economy as a whole during the transition period. The Regional Adviser concentrated on organizing projects in which the best available research capacities in the given countries could be mobilised within a team aiming at the estimation of the size and composition of the hidden economy and its inclusion in official GDP figures. Advisory assistance was also given in areas closely related to national accounts, such as price statistics, international comparison of GDP levels, household budget surveys, labour force surveys.

50. Response to the requests: In most countries the issues raised were addressed through consultative discussions with interested national authorities and research institutions. The Regional Adviser presented

international experience in the CITs, in estimating the hidden economy, transition to SNA etc. He helped to form a research team from different institutions (statistics, customs, fiscal services, social security) to tackle respective problems on a national scale and to draw up the outline of a research project which could be experimented with in the given country. He provided methodological materials and guidelines for small research projects, kept regular contacts with the research team and participated in the evaluation and use of the results.

51. In the three Baltic States harmonised national projects are going on in parallel but with different directions and approaches. At the end of the first round experiences will be exchanged and used to extend research in the other two countries in the next round. Similar projects are under discussion in some other countries (most advanced is the project preparation for Ukraine).

52. Future work: Ongoing advice on conversion to SNA from the MPS will be followed-up; and similar projects on statistics of the "shadow economy" should be initiated, especially in the NIS where the size of the hidden economy is believed to be greater than in the central and east European countries. Experience gained during the last two years in many countries demonstrates that estimation of the hidden economy has become a regular part of official statistics and there are many good results which prove that this problem can be solved within the foreseeable future.

(v) Trade and investment promotion

53. Work done in the countries: The primary role of the RASP in this area has been diagnostic. The Regional Adviser visited Bulgaria, Kazakstan, Republic of Moldova and Russian Federation to assess the current situation, identify specific problems or bottlenecks, and become familiar with the institutional and commercial framework of these and other CITs.

54. Requests received: Many concern assistance in the legal assessment of draft legislation on the issues of national regime for foreign direct investment and for participation in the international business cooperation. Regional issues of international economic cooperation were also prominent among the specific requests for assistance.

55. Response to the requests: Two ECE workshops for the NIS on Promoting the expansion of trade of the countries in transition as an important factor of their integration with the European and global economy (Geneva, March 1995) and on Attracting private investment for large-scale infrastructure projects in the transition economies of central and eastern Europe and the CIS (Geneva, November 1995) will be followed up in 1996. The Regional Adviser prepared guides for transition economies on the legal, institutional and financial preconditions for transition to market economies and for attracting foreign direct investment.

56. Future work: work will continue on assisting the CITs to adjust the legal basis of their international trade and cooperation to fit internationally accepted norms and standards.

57. A project on promotion of foreign direct investment to the Republic of Moldova is scheduled to be completed in summer 1996. The results of the project, providing for the pre-screening of both projects for cooperation and potentially interested investors, will be used for other countries in transition.

58. Should the programme of advisory assistance to Tajikistan in 1996 be agreed upon, the Regional Adviser prepare suggestions on a national strategy to attract foreign direct investments and to rationalize its foreign economic relations.

59. Work will continued on mobilizing international investment in large scale infrastructure projects in the CITs and on financial engineering. Follow-up work to the inter-regional cooperation projects will be undertaken (related to the Omsk international conference on regional development, if assistance is officially requested).

(vi) Trade Facilitation

60. Work done in the countries: The RASP has been assisting countries in transition to define strategies and action plans to improve the competitiveness of private enterprise and the efficiency of public administration through the implementation of ECE Recommendations developed by the Working Party on the Facilitation of International Trade Procedures. As the cornerstone of successful trade facilitation efforts in many ECE member States has been the establishment of national Trade Facilitation bodies (Recommendation No. 4), the Regional Adviser has worked to support existing organizations in coping with the new demands created by the tremendous growth in small and medium sized enterprises seeking to engage in international business, while encouraging their establishment in newly independent States of the ECE region.

61. The Regional Adviser contributed to the establishment of close links between modern Trade Facilitation and electronic data communications, which has resulted in the improved exchange of information between the ECE and countries in transition through computer-assisted conferencing and electronic file transfer. This enables the experts in these countries to participate in ECE-sponsored Trade Facilitation discussion through electronic communication systems.

62. Requests received: During 1995 requests concerned the contribution of trade facilitation to the promotion of intra-CIS and Baltic trade (Republic of Moldova), assistance in organizing the first East European Conference on EDI and UN/EDIFACT (Russian Federation), reviewing the structure and activities of HUNPRO, the Hungarian national Trade Facilitation body (Hungary), assistance in the establishment of SLOVAKPRO, a new Trade Facilitation body in Slovakia. Slovenia asked to present the ECE's Trade Facilitation activities at the Eighth International Conference on EDI and Inter-organizational Systems. Czech Republic requested a consultation on the current status of FITPRO, the Czech Trade Facilitation body. Georgia asked for an initial assessment of its current trade facilitation requirements. Romania sought assistance in the development of a framework for linking traditional paper-based trade

facilitation activities to modern computer-based EDI, using international trade transaction modelling.

63. In addition to requests from countries, the Regional Advisor also contributed to the PHARE Multi-Country Trade Development programme of the European Union, and advised EU PHARE and TACIS offices on trade facilitation-related projects.

64. Response to the requests: In addition to attending to the above requests, the need for information concerning trade facilitation techniques, standards and codes led the Regional Adviser to initiate TraFIX Project, an "electronic handbook" of Trade Facilitation information which can be accessed either via the Internet World Wide Web, or on an individual personal computer. TraFIX has received the support of WP.4 and provides a tangible basis for future cooperation in trade facilitation with other organizations including the European Commission, the World Bank, and the World Customs Organisation. While TraFIX is still at a developmental stage, UNCTAD's Special Programme on Trade Efficiency has used it as a part of the training support for its ASYCUDA automated Customs system, and it is envisaged to be part of the information support offered through the Trade Point programme. ESCAP has joined in the developing TraFIX and is supporting it in the Asia Pacific region.

65. Future work: In 1996-1997 the Regional Adviser will continue to focus on support to countries in transition around the Recommended mechanism of national Trade Facilitation bodies. The TraFIX Project is being extended to selected countries in central and eastern Europe as a basis for their obtaining support from donor organisations to adapt international standards and recommendations to local requirements of both public and private sector participants in international trade.

66. Training materials will be developed on the practical application of ECE Recommendations, as well as finding opportunities to make existing materials available in a wider range of local languages. Collaboration with specialised institutions, such as the International Trade Centre and the Joint Vienna Institute, will be pursued.

(vii) Energy

67. Work done in the countries: The RASP provided direct advice on economic and technical analysis of the energy situation in countries in transition, the elaboration of their energy policy, the technical, institutional and economic requirements for developing the energy sector. He participated in intergovernmental meetings of the European Energy Charter and the BSEC. Assistance was provided in identifying needs, assisting national experts in the preparation of plans and projects to facilitate the implementation of their energy strategies, capacity and institution building, and training. Work in 1995 concentrated on energy policies, energy efficiency and conservation, and on renewable sources of energy. In addition three international projects were put into operation during this period (see E/ECE/1339).

68. Requests received: Requests dealt mainly with assistance in developing programmes and policies in the field of energy, assessing the situation in different sectors of energy complex (coal, gas, electricity), assistance in the preparation of energy conservation programmes and laws, in formulating energy efficiency demonstration projects and in intermediating in establishing contacts with foreign partners. Lack of time and limited resources have not allowed an adequate response to all these requests.

69. Responses to the requests: Advice was given on up-grading the reliability, efficiency and environment protection features in energy production, transmission and utilisation (Georgia, Russian Federation and Tajikistan).Governmental organisations were assisted in working out energy conservation policies (Belarus), in selecting Energy efficiency conservation zones sites (Belarus and Ukraine) and in promoting their commercialisation (Belarus). Advice was also given on the state of the art of legislative, organisational, financial and technical aspects of energy conservation policies (Belarus, Georgia, Russian Federation) and on adopting energy efficiency services within the Zones (Belarus).

70. Future work: In addition to the three international projects, the following work will be undertaken: assisting authorities in the city of Vladimir in implementing a number of energy projects located in the Energy efficiency demonstration zone, financially supported by US AID and by a World Bank loan; assisting the Georgian authorities in convening the Conference on energy strategy in the Republic of Georgia, organised jointly by the World Bank, European Union, the US Government and ECE.

(viii) Industry and technology

71. Work done in the countries: The RASP assessed and evaluated the urgent needs of the countries in transition in this field and assisted them in elaborating industrial policies and formulating policies for the development of small and medium-sized enterprises (SMEs). The authorities of the receiving countries were advised on the elaboration of industrial projects, on management training for state-owned and privatised enterprises and on standardisation, metrology and quality control.

72. Requests received: These concerned assistance in assessing national industrial policies and formulating national SME policies, policy of restructuring industry and specific industrial sectors, in formulating specific technical assistance projects, organising training programmes for managers and entrepreneurs of privatised enterprises and in disseminating professional data on quality assurance systems and third-party certification schemes.

73. Responses to the requests: An Advisory Workshop on restructuring in industry, focused on strategic planning for industrial restructuring was held (Geneva, June 1995), supported by EU, OECD and EBRD. A comprehensive Review of industrial restructuring in selected countries in transition was prepared, containing information on the state-of-the-art in 16 participating countries.

74. The Regional Adviser assisted in the preparation of the Round Table discussion on Hungarian industrial policy (Budapest).

75. The Regional Adviser has begun a Global project for the development of SMEs in countries in transition, whose objective is to facilitate the adjustment process in the economies in transition by providing analytical inputs for the formulation of national SME policies, particularly as far as it concerns the establishment of a nation-wide infrastructure and support services. A questionnaire on SMEs was prepared and a databank developed. The first document in series on SMEs in the countries in transition was prepared (IND/AC.3/1), providing information on governmental policy, legislation, national statistics and support institutions.

76. Assistance was also provided on development of institution-building for SME-promotion, to be financed by PHARE, TACIS, UK KHF and from other sources. Fund-raising missions were carried out to EC and Austria.

77. Future work: In 1996-1997 assistance will be provided in developing and implementing specific programmes and projects of conversion of military enterprises. A second Workshop on industrial restructuring will be organized in June 1996. Preparatory work will start on the state-of-the-art Review of industrial restructuring in countries in transition. Assistance will be provided in formulating specific industry related assistance projects.

78. Work on the Global programme for the development of SMEs in countries in transition should be continued, focusing on the development of national SME policies and on the hands-on support of specific SME projects. In 1996 specific advisory assistance in this area could be provided in response to requests from Croatia, Georgia, Kyrgyzstan, Russian Federation and Ukraine. Assistance could also be provided in creating, jointly with the EC, a credit guarantee scheme and, resources permitting, a project on the development of entrepreneurship of women (Russian Federation).

(ix) Forestry and forest products

79. Work done in the countries: Advisory missions to Armenia, Georgia, Republic of Moldova, Czech Republic, Hungary and Slovakia established that the areas for possible international cooperation with these countries include: the development of policies and strategies for the forest and forest industry sector; conservation of the forest resource, including biodiversity; statistical capacity building; environmental protection, including control of illegal felling for fuelwood and soil erosion; modernisation of the forest industries; education, training and research; production and marketing of non-wood products and services, including tourism; international trade in forest products; and public relations in forestry.

80. Requests received: National requests for assistance dealt with the implementation of international recommendations on forest issues and with the possibilities of international cooperation with financial assistance from international sources of funding.

81. Responses to the requests: To facilitate implementation of Resolution No 3 of the Second Ministerial Conference on the Protection of Forest in Europe, for which ECE is the international coordinator, an enquiry was designed and circulated to 52 countries and international funding organisations. The country inputs will be used for the development of an overall strategy for assisting the forest and forest products sector.

82. The Regional Adviser started to explore the potential for regional projects, to be financed by PHARE, which aim at the sustainable development of forest resources. Two draft project outlines were developed on forest ecosystem monitoring and on establishing extension services for small-scale private forestry. They have been submitted to the interested countries for revision and comments. The project summary on forest ecosystem monitoring was submitted to the European Union as part of ECE's proposal for EU-ECE cooperation.

83. A draft workshop proposal on rational land-use strategies was developed and drawn to the attention of the Government of Israel. Kazakstan and Uzbekistan were identified as possible beneficiaries of the workshop.

84. Future work: Follow-up to the missions may include acting as broker between the receiving country and sources of funding, assistance in drawing up project proposals, and the organisation of workshops on selected topics. Assistance could be continued to Slovakia in preparing a workshop on institution building in forestry, to be held in Banska Stiavnica in 1996.

(x) Population

85. Work done in the countries: Regional advisory services on population and development were initiated in February 1995 in response to the Programme of Action adopted by the International Conference on Population and Development (ICPD). Related services focused on priority setting and needs assessment.

86. Requests received: Requests for assistance point to the need to assist member States with economies in transition in establishing a concrete mechanism such as a national follow-up committee which would ensure continuity in action and provide a framework for interaction between the various actors from the governmental and non-governmental sectors. Enhancing national capacity to formulate, manage and evaluate population policies and programmes has been identified as a priority.

87. Response to the requests: The Regional Advisor has developed proposals and sought necessary funding for regional and sub-regional follow-up activities to the ICPD in the ECE region in consultation with the United Nations Population Fund.

88. Future work: Advisory services will be provided on an ad hoc basis, extra-budgetary resources permitting.

IV. SUGGESTIONS FOR FURTHER IMPROVEMENT OF THE WORK OF THE RASP IN 1996-1997

89. Specific proposals on the future work in the areas of competence of the RASP have been outlined above under respective headings. First of all, its programmed but interrupted activities must be delivered. National and international professional contacts of the RASP have to be reassured that the ECE Regional Advisers are reliable partners.

90. After the phase of establishment is completed, future activities should concentrate on answering demands where the RASP has a comparative advantage, i.e. where it can secure substantive backstopping from Divisions. Three sets of activities correspond to this criterion: to provide advice on the basis of policy debates which have taken place in ECE; to assist in the implementation of guidelines, policies, conventions, norms and standards developed in ECE through institution building, training and monitoring; and to assist in organizing workshops and seminars mandated by the subsidiary bodies. In addition, to respond to many requests, the Regional Advisers may help in the formulation of projects to be submitted to financing or donor institutions. But experience shows that these projects would only be received if they concerned areas where ECE has a recognized expertise; they should therefore relate to one of the three sets of activities described above.

91. Governments may confirm the initial orientation to provide assistance primarily to the newly independent States of the region, with particular emphasis on war-torn countries. Governments may also wish to indicate sectors where regional advisory services should be maintained as the resources were cut by the General Assembly when adopting the budget for the biennium 1996-1997.

92. To limit the impact of budget reduction, contacts of ECE with donors for financing programmes/projects should be enhanced. A fund-raising plan, reflecting priorities, as requested by member countries, could be developed. In addition, the Regional Advisers could actively seek cooperation with the non-governmental and private sector enterprises, contributing to their development and involving them in financial support.

93. Coordination of advisory activities with United Nations system and with other providers of technical assistance to the economies in transition in the ECE region should be continued. Coordination of activities with ESCAP, especially as far as it concerns the countries with dual membership in ECE and ESCAP, will be strengthened, in particular through joint design and implementation of projects for the benefit of these countries.